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RUEHRC/DEPT OF AGRICULTURE WASHDC PRIORITY
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SUBJECT: 2006-2007 INTERNATIONAL NARCOTICS CONTROL STRATEGY
REPORT: NEPAL

REF: SECSTATE 157084

SUMMARY

¶1. Although Nepal is neither a significant producer of, nor a major transit route for, narcotic drugs, domestically-produced cannabis, hashish and heroin are trafficked to and through Nepal every year. An increase in the number of Nepalese couriers apprehended by the police suggests that Nepalis are becoming more involved in trafficking. Moreover, Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that more Nepalese citizens are investing in and taking a larger role in running trafficking operations. Customs and border controls remain weak, but international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. The ongoing Maoist insurgency has hindered interdiction and monitoring efforts in many parts of the country. New in 2006, the Government of Nepal adopted a Narcotics Control National Policy that calls for the creation of a Bureau of Narcotics Control in the Ministry of Home Affairs, to include a special Nepal police taskforce trained in counter-narcotics. Legislative efforts are also underway to increase control over the trafficking of precursor chemicals between India and China. Nepal is a party to the 1988 UN Drug Convention. End Summary.

Status of Country

¶2. Police confirm that production of cannabis is on the rise in the southern areas of the country, and that most is destined for the Indian market. Abuse of locally grown and wild cannabis and locally produced hashish, marketed in freelance operations, remains widespread. Heroin from Southwest and Southeast Asia is smuggled into Nepal across the open border with India and through Kathmandu's international airport. Licit, codeine-based medicines continue to be abused. Nepal is not a producer of chemical precursors but serves as a transit route for precursor traffic between India and China.

¶3. The ongoing Maoist insurgency has obstructed rule-of-law, interdiction and monitoring efforts in many parts of the country. The Maoists are most likely involved in drug smuggling to finance their insurgency. Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that Maoists have called upon farmers in certain areas to increase cannabis production and have levied a 200 Nepal Rupees per kilogram (approximately USD 2.75) tax on cannabis production. The inaccessibility of areas due to the insurgency has also skewed the NDCLEU's statistics.

COUNTRY ACTIONS AGAINST DRUGS IN 2006

Policy Initiatives

¶4. Nepal's basic drug law is the Narcotic Drugs (Control) Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs is illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export.

¶5. In August 2006, the Home Ministry drafted a Narcotics Control National Policy, and the Cabinet is reviewing it. Noting the growing incidence of HIV infection among

narcotic-using sex workers, abuse of narcotics and psychotropic medicines among youth, and illicit trafficking by organized mafia, the new policy, an update of the 1996 Narcotics Control National Policy, attempts to address these

concerns in a more "transparent and enforceable" manner. It consists of five strategies to control drug production, abuse and trafficking: (1) supply control, (2) demand reduction (treatment and rehabilitation and drug abuse prevention), (3) risk reduction, (4) research and development, and (5) collaboration and resource mobilization.

16. To ensure institutional support, the policy calls for the creation of a Narcotic Control Bureau in the Ministry of Home Affairs, to include the NDCLEU as well as a special Nepal Police Taskforce trained in counter narcotics. In addition, the policy would establish a high-level narcotics control national guidance and coordination committee and a narcotics control executive committee, both chaired by the Home Minister. The policy would also set up an autonomous body to create a National Drug Demand Reduction Campaign involving awareness and advocacy programs.

17. Nepal is actively implementing a National Drug Abuse Control Plan (NDACP), but other proposed efforts still await legislative approval. Legislative action on mutual legal assistance and witness protection, developed as part of the NDACP, has stalled for a fifth year. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. Legislation on asset seizures, drafted in 1997 with United Nations Office on Drugs and Crime assistance, is also awaiting approval. All are under review by the Ministry of Law and Justice. Legislation on criminal conspiracy has not yet been drafted.

18. In response to reports from the NDCLEU of increased trafficking and criminal behavior among Nigerian tourists, the Home Ministry has sent the Ministry of Affairs a proposal to restrict the travel of Nigerians to Nepal. The Home Ministry and the NDCLEU reported that Nigerians travel on false passports to Nepal, via South Africa and India, to widen their organized crime network and traffick heroin, humans and arms.

Law Enforcement Efforts

19. The NDCLEU has developed an intelligence wing, but its effectiveness remains constrained by a lack of communication and surveillance equipment in rural areas. Coordination and cooperation among NDCLEU and Nepal's customs and immigration services, while still problematic, are improving. The reallocation of resources to fight the Maoist insurgency and the lack of security in the countryside have hampered crop destruction efforts. While the amount of destroyed areas of illicit drugs cultivation has been fluctuating since 1991, final statistical data for 2005 indicate that destruction of cannabis plants has declined since 2004. In 2005, 4 hectares of opium and 121 hectares of cannabis cultivation were destroyed, compared to 231.5 hectare of cannabis destroyed in 2004.

10. The NDCLEU reported that it is responsible for arresting 35 percent of the prisoners in Nepali jails. In 2005, the Nepal Police arrested 33 foreigners on the basis of drug trafficking charges. From January-May 2006, police arrested 16 foreigners and 138 Nepalese citizens. In the same time period, the NDCLEU and local units reportedly seized 1,574 kilograms of cannabis - more than the amount of cannabis seized in all of 2005 (1,532 kilograms). The NDCLEU also seized 6 kilograms of heroin in this period, compared to the 9 kilograms seized in 2005. The NDCLEU further reported the seizure of 63.7 kilograms of hashish (54.3 kilograms in 2005) and 2.5 kilograms of heroin (1.6 kilograms in 2005) at Kathmandu's Tribhuvan International Airport (TIA) from January-May 2006. Most seizures of heroin and hashish in 2006 occurred along the Nepal-Indian border, within Kathmandu, or at TIA as passengers departed Nepal. Seizures of illicit and licit, but illegally abused, pharmaceuticals in January-May 2006 were higher than 2005 levels.

Corruption

11. Nepal continues to have no laws specifically targeting public narcotics-related corruption by senior government officials, although both provisions in the Narcotics (Control) Drug Act of 1976 and Nepal's anti-corruption legislation can readily be employed to prosecute any narcotics-related corruption. As a matter of government policy, Nepal neither encourages nor facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor the laundering of proceeds from illegal drug transactions.

Agreements and Treaties

12. Nepal is party to the 1998 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1993 South Asian Association for Regional Cooperation (SAARC) Convention on Narcotics Drugs and Psychotropic Substances. The Cabinet has signed the latter and it is now in the House awaiting ratification. In addition, as agreed upon at the May 2006 SAARC Summit, the Home Ministry set up a SAARC Drug Offenses Monitoring Desk at TIA. Nepal has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN

Convention against Corruption.

Cultivation/Production -----

¶13. Cannabis is an indigenous plant in Nepal, and cultivation of developed varieties is rising, particularly in lowland areas. There is some small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. Most opium comes from neighboring countries in South and Southeast Asia. Nepali drug enforcement officials reported that all heroin seized in Nepal originated elsewhere. Nepal does not produce precursor chemicals. Importers of dual-use precursor chemicals must obtain a license and submit bimonthly reports on usage to the Home Ministry.

¶14. According to the Home Ministry, there have been no seizures of precursor chemicals since 1997. There have not been reports of the illicit use of licensed imported dual-use precursor chemicals. Nepal is used as a transit route to funnel precursor chemicals between India and China. With ratification of the SAARC Convention on Narcotics Drugs and Psychotropic Substances, which holds countries liable for policing precursor chemicals, the Home Ministry said it planned to assert control over precursor chemicals. These chemicals are currently under the jurisdiction of the Ministry of Health and are not carefully monitored for abuse.

Drug Flow/Transit -----

¶15. According to NDCLEU, evidence from narcotics seizures suggests that narcotics transit Nepal from India, Pakistan, and Afghanistan to other countries in the region and to Europe, the U.S. and Japan. Media reports have claimed that most narcotics are bound for India, and law enforcement sources indicated that most seizures occur at the India/Nepal border. The NDCLEU said customs and border controls were weak along Nepal's land borders with India and China, while the Indian border was essentially open. Security measures to interdict narcotics and contraband at TIA and at Nepal's regional airports with direct flights to India were also inadequate. The Government of Nepal (GON), along with other governments, is working to increase the level of security at the international airport, and the Nepal Army is detailed to assist with airport security. The NDCLEU took the increase in arrests of Nepalese couriers in other countries as an indication that Nepalese were becoming more involved in the drug trade both as couriers and as traffickers, and that

Nepal may be increasingly used as a transit point for destinations in South and East Asia, as well as Europe (Spain, the Netherlands and Switzerland). The NDCLEU has also identified the United States as a final destination for some drugs transiting Nepal, typically routed through Bangkok.

Domestic Programs (Demand Reduction) -----

¶16. The GON has continued to implement its national drug demand reduction strategy in association with the Sri Lanka-based Colombo Plan, the United States, UNODC, donor agencies, and NGOs. However, resource constraints have limited significant progress.

U.S. POLICY INITIATIVES AND PROGRAMS -----

Policy Initiatives -----

¶17. U.S. policy is to strengthen Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, to maintain positive bilateral cooperation, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug Convention. The United States, NDCLEU, and other donors work together through regional drug liaison offices and through the Kathmandu Mini-Dublin Group of Countries Offering Narcotics Related Assistance.

Bilateral Cooperation -----

¶18. The United States works with GON agencies to help implement Nepal's master plan for drug abuse control and to provide expertise and training in enforcement. Nepal exchanges drug trafficking information with regional neighbors and occasionally with destination countries in Europe in connection with international narcotics investigations and proceedings.

The Road Ahead -----

¶19. The United States will continue information exchanges, training, and enforcement cooperation; work with the UNODC to further enhance the efforts of the NDCLEU and support their demand reduction and social rehabilitation efforts; provide support to various parts of the legal establishment to combat corruption and improve rule of law; and support improvements in the Nepali customs service. The United States will also encourage the GON to enact stalled drug legislation.

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